Uniform policy for delayed credit repayments

†1062. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the interest is charged on the credit card holders for delayed credit repayments;

(b) if so, whether any uniform policy is adopted therefor in the country;

(c) if so, the details thereof; and

(d) if not, the average rate of interest charged therefor by public and private sector banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir. The banks charge interest on delay credit repayment from the credit card holders. However, in terms of Reserve Bank of India (RBI) Master Circular on 'credit and operations by banks', dated 1st July, 2008, banks have been advised that credit card dues are in the nature of non-priority sector personal loans and as such the banks may determine the rate of interest on credit card dues without reference to their Benchmark Prime Lending Rate (BPLR) and regardless of the size. Further, in terms of the above circular, the banks have been advised that they should quote Annualized Percentage Rates (APR) on card products, separately for retail purchase and for cash advance. The banks have also been advised to indicate the method of calculation of APR with a couple of examples for better comprehension, prominently show the APR charged, annual fee, late payment charges, including the method of calculation of such charges and the number of days, etc. In their monthly Statement to the cardholders, the banks are required to prominently indicate the manner in which the outstanding unpaid amount is included for calculation of interest. As the banks have autonomy in the matter of rate of interest on credit card dues, the rate of interest on credit card dues vary from bank to bank. This RBI Master Circular dated 1st July, 2008 is available on RBI website *www.rbi.org.in*.

Fixing targeted date for loan disbursal

†1063. DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that any target had been fixed to disburse the loan to the agriculture sector during the period of April to December of current financial year 2008-09;

(b) if so, the amount of the said fund and whether any amount had been fixed for the entire year;

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†Original notice of the question was received in Hindi.